IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

NAZARETH HOSPITAL and : CIVIL ACTION

ST. AGNES MEDICAL CENTER

. : No. 10-3513

KATHLEEN SEBELIUS, Secretary

Department of Health and Human Services

ORDER

AND NOW, this 8th day of April, 2013, the "Motion of Plaintiffs Nazareth Hospital and St. Agnes Medical Center for Summary Judgment" (doc. no. 16) is granted, and the "United States of America's Cross-Motion for Summary Judgment" (doc. no. 21) is denied. The decision of defendant Kathleen Sebelius, Secretary of the Department of Health and Human Services, of September 11, 2012 (doc. no. 61), is reversed, and judgment is entered in favor of plaintiffs and against defendant.

Consistent with the memorandum accompanying this order, defendant shall recalculate the Medicare disproportionate share hospital adjustments owed plaintiffs for the fiscal year ending December 31, 2002 under 42 U.S.C. § 1395ww(d)(5)(F)(vi). Adjustments not previously made shall be remitted to plaintiffs, together with interest on those amounts as calculated under 42 U.S.C. § 1395oo(f)(2).

BY THE COURT:

/s/ Edmund V. Ludwig Edmund V. Ludwig, J.